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1947 OUTLOOK ISSUE

THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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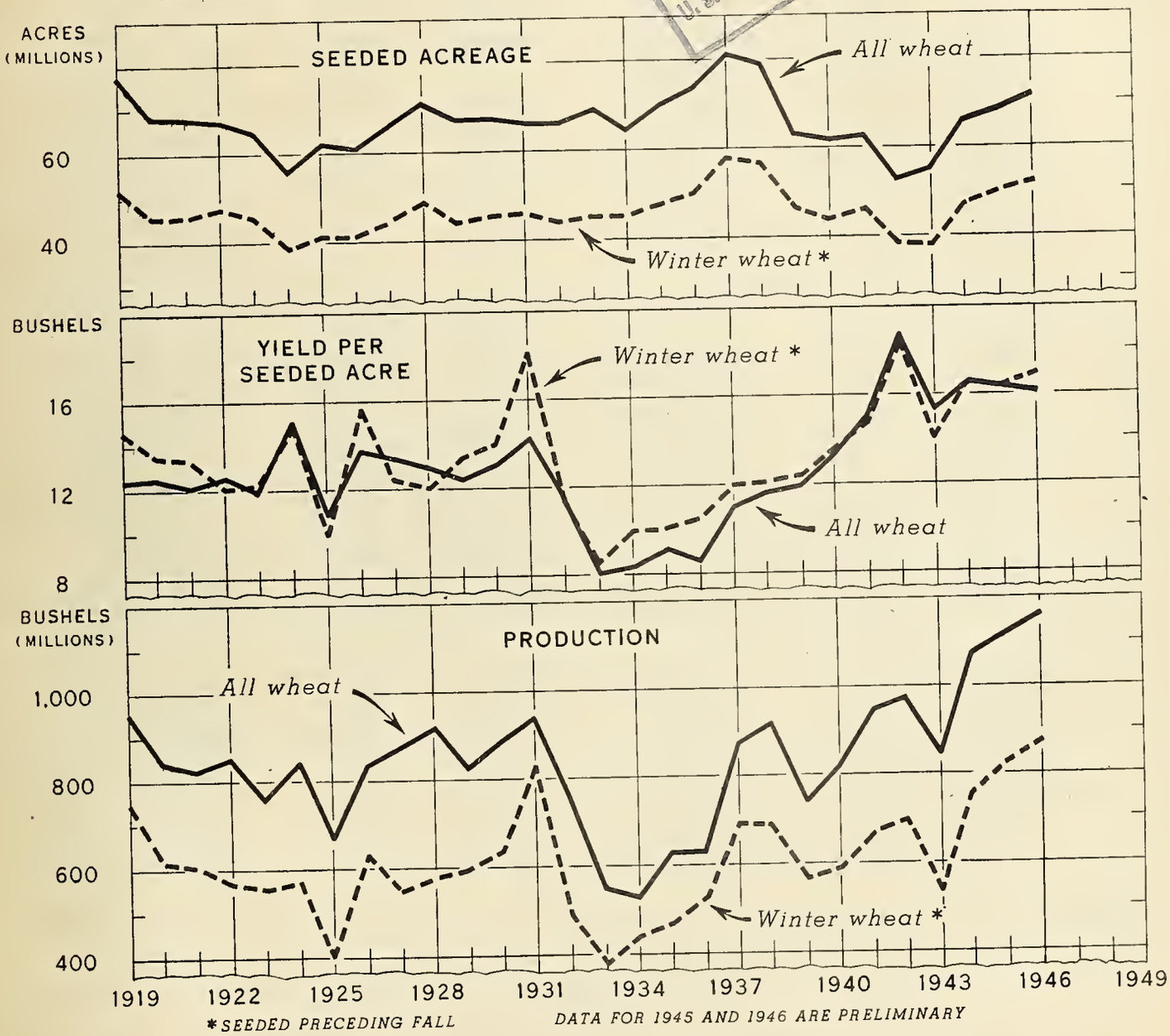
ALL WHEAT AND WINTER WHEAT: ACREAGE, YIELD, AND PRODUCTION, UNITED STATES, 1919-46



U. S. DEPARTMENT OF AGRICULTURE NEG. 42549 BUREAU OF AGRICULTURAL ECONOMICS

Seedings of all wheat for the 1946 crop, at 71.9 million acres, were 5 percent above 1945 and 8 percent above the 1935-44 average. With production indicated as of August 1 at 1,160 million bushels, the 1946 wheat crop constitutes another record. Because of the importance of winter wheat in the total crop, production changes in winter wheat and all wheat are generally very similar. The State wheat acreage goals for 1947 total 71.7 million acres--about the same as the actual seedings for the 1946 crop.

Table 1.-All wheat and winter wheat: Acreage, yield, and production
United States, 1919-46

Year of harvest	All wheat			Winter wheat		
	Seeded acreage	Yield per seeded acre	Production	Seeded acreage	Yield per seeded acre	Production
	1,000 acres	Bushels	1,000 bushels	1,000 acres	Bushels	1,000 bushels
1919	77,440	12.3	952,097	51,391	14.6	748,460
1920	67,977	12.4	843,277	45,505	13.5	613,227
1921	67,681	12.1	818,964	45,479	13.3	602,793
1922	67,163	12.6	846,649	47,415	13.1	571,459
1923	64,590	11.8	759,482	45,488	12.2	555,299
1924	55,706	15.1	841,617	38,638	14.8	573,563
1925	61,738	10.8	668,700	40,922	9.8	400,619
1926	60,712	13.7	832,213	40,604	15.6	631,607
1927	65,661	13.3	875,059	44,134	12.4	548,188
1928	71,152	12.9	914,373	48,431	12.0	579,066
1929	67,177	12.3	824,183	44,145	13.3	587,057
1930	67,559	13.1	886,522	45,248	14.0	633,809
1931	66,463	14.2	941,540	45,915	18.0	825,315
1932	66,281	11.4	756,307	43,628	11.3	491,511
1933	69,009	8.0	552,215	44,802	8.4	378,283
1934	64,064	8.2	526,052	44,836	9.8	438,683
1935	69,611	9.0	628,227	47,436	9.9	469,412
1936	73,970	8.5	629,880	49,986	10.5	523,603
1937	80,814	10.8	873,914	57,845	11.9	688,574
1938	78,981	11.6	919,913	56,464	12.1	685,178
1939	62,801	11.8	741,180	46,153	12.3	565,642
1940	61,610	13.2	813,305	43,325	13.6	590,212
1941	62,332	15.1	943,127	45,671	14.7	670,709
1942	52,227	18.7	974,176	38,072	18.3	696,450
1943	55,127	15.3	841,023	37,782	14.1	531,481
1944	65,439	16.4	1,072,177	46,169	16.4	758,930
1945 1/	68,781	16.3	1,123,143	50,123	16.4	823,177
1946 1/	71,896	16.1	1,160,366	52,096	16.9	879,894

1/ Preliminary.

THE WHEAT SITUATION
-Including Rye-

Approved by the Outlook and Situation Board, August 27, 1946

SUMMARY OF THE OUTLOOK FOR WHEAT AND RYE

Under present conditions, growers undoubtedly will seed about the same wheat acreage as they did for the 1946 crop. Goals established by State committees for the 1947 crop add up to 71.7 million acres, practically the same as the acreage seeded for the 1946 crop, and about as great as reasonable conservation will allow. With average development, this acreage would produce a crop of about 930 million bushels. If domestic use totals about 730 million bushels, a crop of this size would leave 200 million bushels for export or addition to carry-over stocks. Exports of 200 million bushels in 1947-48 are likely unless crops in other exporting countries and principal importing countries are better than average. Accordingly the carry-over on July 1, 1948 may not be much different from that of July 1, 1947, when it may be about 275 million bushels.

Present wheat prices reflect a very large export demand. This demand, in terms of wheat exports to deficit countries, probably reached its peak during the past year. Future exports are dependent on the increased use of wheat in food-deficit countries and the maintenance of a high level of international trade. While our pricing policy is important, in determining our share of wheat exports, the future level of wheat exports is very dependent on general world-trade policy and the success of international trade agreements. If exports are not maintained at a high level, large surpluses will again accumulate in exporting countries, unless means are effective to curtail production.

As the currently high exports taper off, price-supporting loans may again become effective. If growing conditions are much above average for the 1947 crop and exports are substantially reduced, prices in 1947-48 will decline from present levels. Whether they will decline to support levels depends on the size of supplies in relation to demand. Present legislation provides for loans to cooperating farmers at 90 percent of parity on wheat harvested during the 2 years following the year in which the cessation of hostilities is officially proclaimed.

A national rye goal of 2.4 million acres for harvest as grain in 1947 was announced in late August. Assuming average yields, this acreage would produce a crop of 29.5 million bushels. A crop of this size would provide for normal food use, but it would be necessary to continue to use less rye for feed and spirits, and greatly to restrict exports.

SUMMARY OF THE CURRENT WHEAT SITUATION

Domestic wheat supplies in 1946-47 are now estimated at over 1,260 million bushels, consisting of a carry-over of old wheat of 101 million bushels and a prospective crop of 1,160 million bushels. While the indicated crop is the largest on record, the carry-over is the smallest in 20 years, except for 1937. As a result, total supplies are below each of the past 5 years, although over a fourth above the 10-year, 1932-41 average.

Restoration on September 1 of the normal milling extraction rate and an increase in the goal for total United States grain exports in 1946-47 was announced August 23. The quantity of wheat for food use is now estimated at 475 million bushels, which with the other uses will result in total domestic disappearance of about 710 million bushels. This would point to supplies available for export and carry-over of about 550 million bushels. On the basis of present

estimates, exports may total about 275 million bushels, which includes 15 to 20 million bushels from the 1945 crop. This would indicate a carry-over July 1,1947 of about 275 million bushels.

Wheat prices have returned to near June 30 levels after a spurt following the lapse of the OPA. The decline from early July reflected arrivals of new wheat and continued improvements in the total wheat crop prospects. Beginning July 1 the CCC offered to purchase wheat for export at the old ceiling level plus earned markups; and by August 19 had purchased about 12 million bushels under this program. The very large export demand is still the principal price supporting factor. Increases of 3 cents in the 1946-crop wheat loan rates because of higher parity prices were authorized August 7. The new rates will average nationally about $1.49 per bushel, compared with $1.38 for the 1945 crop.

Present prospects are that the 1946 world wheat production, excluding the U.S.S.R. and China, may be at least 10 percent above the reduced production in 1945, and about equal to the 1935-39 prewar average. Even though production prospects are better than last year, large wheat imports are expected to continue through 1946-47. With the exhaustion of large reserves which existed a year ago, world wheat needs will have to come out of the 1946 crop. At present, the 1946 crop in Europe is better than the poor 1945 crop, although still not up to the prewar average. Production in North Africa is sharply above that of the last 2 years, but still somewhat below prewar. Crop condition in Canada at the end of July, expressed as a percentage of the long-time yield per acre, was 126 percent, compared with 92 percent a year earlier. However, there has been some subsequent deterioration from hot, dry weather. On the basis of increased acreage and more favorable conditions for Argentina and Australia than a year ago, prospects are for crops above the below-average outturns of last year and perhaps at about prewar levels.

THE OUTLOOK FOR WHEAT

BACKGROUND.--The acreage seeded to wheat for the 1946 crop, at 71.9 million a cres, was 5 percent above the 1945 acreage, and 8 percent a bove the 1935-44 average of 66.3 million acres (table 1). For 1947, a large acreage continues to be desirable because of the very large demand for wheat and the elimination of the wheat surplus in this and other exporting countries.

With Above-normal Export Demand Expected, "The National Wheat Goal" Is Again Large

State wheat goals for 1947 totaling 71.7 million bushels were announced August 14 by the Secretary of Agriculture. The State totals are only slightly different from the indicated seedings of 71.9 million acres for the 1946 crop. About 70 percent of the total will be winter wheat. These goals, balancing production against needs, are guides to farmers in their 1947 crop planning. Because of the low level of world food stocks, the proposed acreage is somewhat larger than would normally be desirable for proper conservation and land utilization. State wheat goals were recommended by the State USDA Councils.

Assuming an average of 13 bushels per seeded acre (the 1935-44 average was 12.7 bushels) 71.4 million acres would produce a crop of about 930 million bushels. This is approximately the total of estimated domestic requirements and probable exports, so that the carry-over at the end of 1947-48 marketing year may be about the same as on July 1, 1947. If yields equaling those of the last few years are obtained, resulting in the fourth successive crop of more than a billion bushels.(the fifth in our history), or if Canada and the Southern Hemisphere countries have good crops, thus further reducing our exports, the carry-over on July 1, 1948 might substantially exceed 275 million bushels. Thus, it is possible that very large stocks could be built up in the United States again in two years.

A desirable carry-over on July 1, 1947 would include, in addition to working stocks, a substantial reserve which could be drawn upon to meet 1947-8 demands if yields in 1947 should be below average. Present extimates of this level are around 275 million bushels. It is to be recognized that we have now had 6 consecutive years of yields very much above the long time average. (table 1) and even above the average of the last 10 years. This reflects the excellent growing conditions, improvement in seed and cultural practices, and the absence of widespread rust and other crop damaging factors. While such conditions may continue, provision for less favorable years is desireable.

Domestic Wheat Prices in 1947-48 May Decline from Present Levels; Support Provided

Wheat prices have recently been at the highest level since 1921 (fig. 4) reflecting a very large export demand. Eventually when this extraordinary demand subsides, price supporting programs will again become effective. If growing conditions for the 1947 crop are much above average and demand for exports are substantially below those in 1946-47, wheat prices in 1947-48 will decline from present levels. Whether they will decline to support levels will depend largely upon the size of the crop and the export demand. The Agricultural Adjustment Act of 1938, as amended by the Stabilization Act approved October 2, 1942, provides price-support loans to cooperating farmers at 90

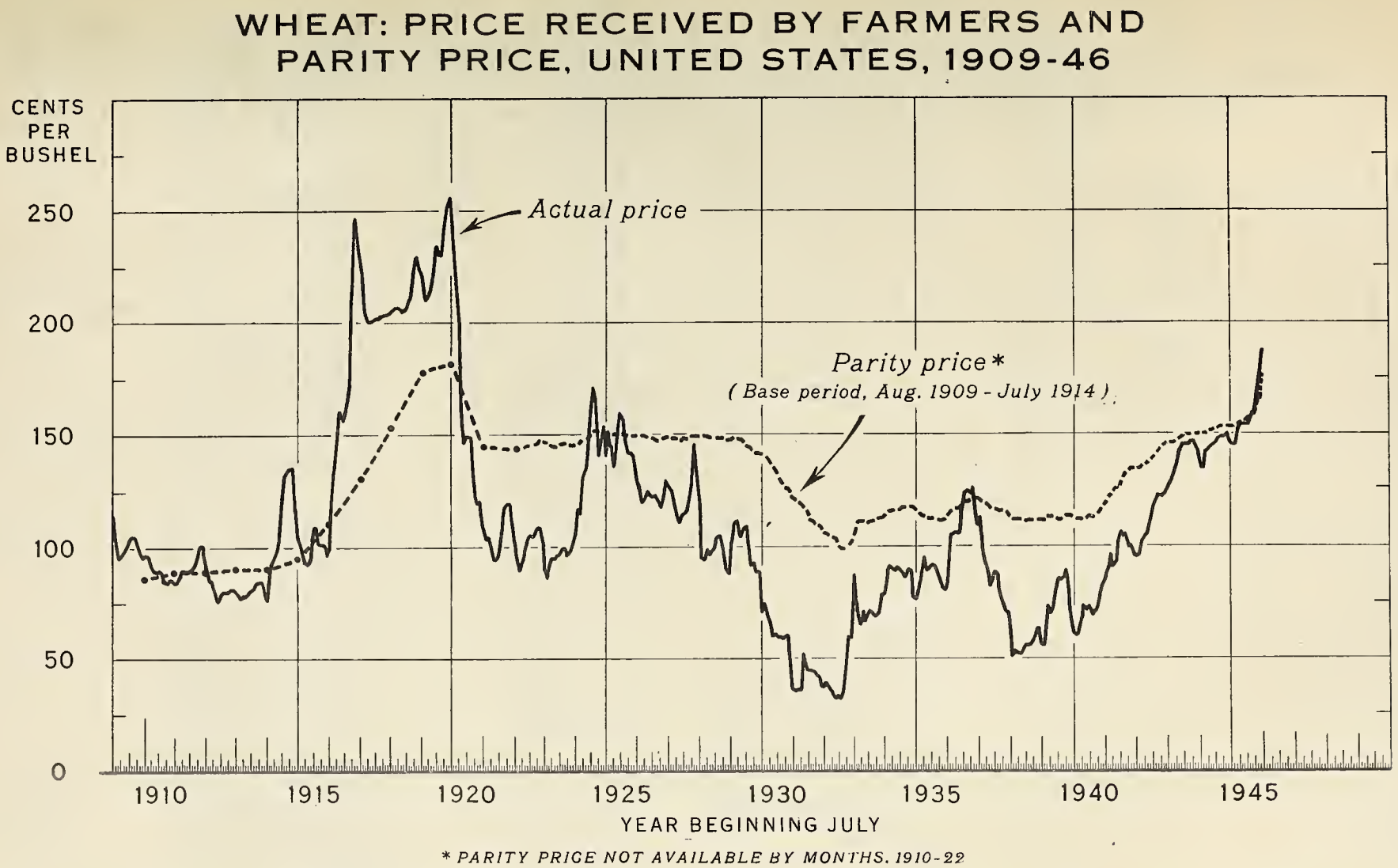


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FIGURE I

Wheat prices have been above parity since early May and in mid-July were $1.87 per bushel. Since 1920, prices received by farmers for wheat have risen above parity in 1924-25, 1925-26, 1936-37, in addition to 1946. In 1924, foreign demand for United States wheat increased as a result of a very small crop in Canada. In 1925, the crop in the United States was small, and in 1936, United States supplies were greatly reduced following 4 years of drought. In World War I, the world supply was small, compared with demand, and prices in the United States rose considerably above parity. In World War II, both the supply and the demand were very large.

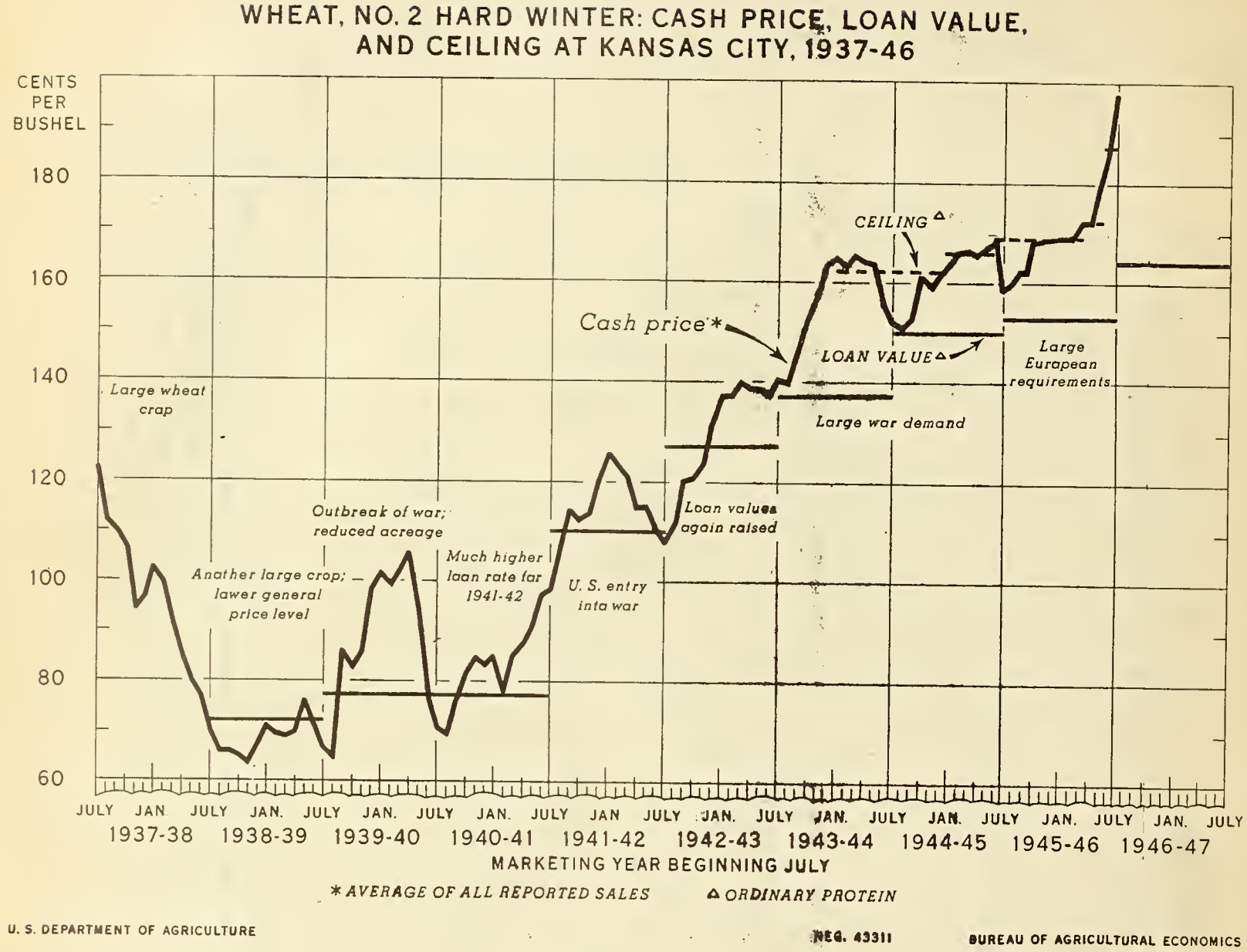


FIGURE 2

In each marketing year from 1938 through 1942, the wheat price started below the loan level and advanced substantially by spring. Largely as the result of a very large non-food demand, the price in 1943-44 started above loan level and by December advanced to about parity, where the ceiling was established. Beginning in 1945, the price was maintained above the loan level by a very large export demand. In the chart above, the cash price rises from the ceiling level because the cash price used includes the payment of premiums for above-average protein. Although the ceiling price permitted payment of these premiums, they are not reflected in the ceiling shown in the chart.

Fig. 2.

percent of parity. Loans are effective on wheat harvested during the 2 years beginning the first of January following the official proclamation that hostilities have ceased (provided that producers have not disapproved of marketing quotas). If, at the time the loan is announced in June 1947, the index of prices paid by growers, including interest and taxes, should be 199 as it was on July 15, this year, the average loan to growers would be $1.58 per bushel 1/, compared with the actual price of $1.74 in mid-June and $1.87 in mid-July 1946. Formal announcement that there will be no wheat marketing quotas as well as no acreage allotments during the 1947-48 wheat production and marketing season was made July 16 2/.

The Long-Time Outlook for Exports

International trade prospects in the longer-look ahead, will depend among other things on general trade policy among nations. In the 1920's, before European countries drastically restricted their wheat and flour imports, world trade and United States exports were very much larger than in the 1930's. Our share of the wheat export market will depend largely on whether we meet prices of other exporting countries.

The level of prices for export wheat which would have to be met by the United States in the years ahead, will depend upon the marketing policy adopted by the exporting countries. The demand for wheat by deficit countries undoubtedly reached its peak in 1945-46, and is expected to be less in 1946-47 and still less in 1947-48. The falling off in demand by deficit countries will mean lower export prices. The alternative would be for surplus producing countries to check expansion or curtail production in adjusting to world demand at given prices. If efforts to curtail production are not effective and acreages in the various exporting countries approximate anything like prewar acreages, production with average yields would exceed annual use and large carry-over stocks would again accumulate.

Our share of the total exports also depends upon the distribution of surplus supplies. Now, as following the last war, exports by the United States are large. Then, as now, we had large supplies of wheat, and supplies in other countries were relatively small. In 1920-21 net exports of wheat and flour by the United States totaled 313 million bushels; 3 years after in 1923 they were down to 132 million. In each of the two years of large exports just prior to the last war, 1937-38 and 1938-39, they were only about 105 million bushels. In contrast, in 1920-21 exports of wheat and flour from Canada totaled 200 million bushels, 3 years later they were up to 344 million, and 1939-40 and 1940-41 about 210 million bushels. In 1945-46, United States exports were just short of 400 million bushels. But after the extraordinary demand, following the war is satisified, and supplies in other countries have had time to increase--both in exporting countries and in importing countries--our export may be expected to average well under 100 million bushels.

1/ Price in base period (July 1909 -June 1914) of 88.4 cents times index of 199 times 90 percent equals $1.58.
2/ The Tripple A Act of 1938 provides for marketing quotas when the total supply of wheat exceeds a normal year's domestic consumption and exports by more then 35 percent. A normal year's domestic consumption and exports as defined in the Act plus 35 percent was calculated as larger than the estimated 1947-48 supply of wheat.

THE CURRENT DOMESTIC WHEAT SITUATION

BACKGROUND .-In the 10-year (1932-41) pre war period, the supply and distribution of wheat in continental United States averaged per year as follows, in million bushels: Total supply 982, consisting of carry-over of old wheat 235, production 738 and imports 9; total disappearance 721, consisting of food 475, feed 122, seed 81, and exports including shipments 43.

Wheat prices have generally advanced since 1938 (table 4). Up to 1943-44, the loan program was the most important factor in domestic wheat prices. Beginning in 1943-44, the extra demand for wheat resulting from the war became the important price factor. (table 5)

Total U. S. Wheat Supplies Smallest in 6 Years; but Carry-over July 1, 1947 May Be Increased to About 275 Million Bushels

Domestic wheat supplies in 1946-47 are now estimated at over 1,260 million bushels, consisting of a carry-over of old wheat of 101 million bushels and a prospective crop as of August 1 of 1,160 million bushels. While the indicated crop is the largest on record -- 37 million bushels above the record last year -- the carry-over is the smallest in 20 years, except for 1937. As a result, total supplies are below each of the past 5 years, although over a fourth above the 10-year, 1932-41 average.

Restoration on September 1 of the normal flour milling extraction rate and an increase in the goal for total United States grain exports in 1946-47 was announced August 23 3/. The quantity of wheat for food use at the higher extraction rate, but still maintaining the 85 percent limitation on distribution, would be about 475 million bushels. With feed use still estimated at 150 million, seed at 82 million and none for spirits and beer, total domestic disappearance is expected to be about 710 million bushels. On the basis of indicated supplies, this would point to quantities for export and carry-over of about 550 million bushels. On the basis of preliminary figures, it is likely that wheat exports will be about 275 million, including 15 to 20 millions exported from the 1945 crop. This would indicate a carry-over July 1, 1947 of about 275 million bushels, which would compare with the 1932-41 average of 235 million bushels. Corn and corn products will supply a major portion of the increase in grain exports announced August 23.

Supply and distribution figures for 1930-45 were included in the May-June issue of The Wheat Situation as table 2, and the distribution was shown in the same issue in charts on pages 1 and 2. As now slightly revised, (table 3), the figures for 1945-46, in million bushels, are as follows: July 1 stocks 280.9 crop 1,123.1, imports 1.9, making total supplies 1,405.9; food 496.3, feed 313.9 seed 82.1, industrial use 21.0, making total domestic distribution 913.3 and exports, including shipments to U. S. possessions, 391.1. Exports of U. S. wheat and flour by countries of destination are shown in table 11.

3/ Statement on page 12.

Of the total indicated wheat crop as of August 1-- 1,160.4 million-- winter wheat made up 879.9 million (table 1), and spring wheat 280.5 million. The winter crop, as well as the total, is an all-time record. Winter wheat yields exceeded earlier expectations and timely rains in the spring wheat belt raised the production outlook 70 million bushels above the July 1 estimate. All spring wheat production is 6 percent less than last year's production of 300.0 million bushels, but is 24 percent above average. Production by classes for 1946 with comparisons are shown in table 6.

Wheat Prices Near Levels of June 30:
Large Export Demand Principal Price
Supporting Factor

Reflecting the marketing of new crop wheat and continued improvement in the crop, prices have declined from the high levels that followed the lapse of the OPA and have now returned to near the levels of June 30(table 7). The very large export demand is the principal price supporting factor. Beginning July 1 the CCC offered to purchase wheat for export at the old ceiling level plus earned markups, and by August 19 had purchased about 12 million bushels under this program. With a 4-cent markup, the purchase price of No. 1 Hard Winter at Kansas City is $1.90-5/8. As long as the CCC continues to buy at the old ceilings plus markups, prices will be supported at that level. Another strengthening factor, as evidenced by relatively small receipts in winter wheat markets, is a reluctance on the part of many growers to sell at this time. Also, car shortage in the spring wheat States has blocked many elevators and greatly reduced terminal receipts.

Following the signing of the OPA bill on July 25, the milling subsidy as well as the ceilings on wheat were removed. On August 12, the OPA announced a higher ceiling on flour; $1.11 per 100 pounds east of the Rockies and $1.24 higher in the Pacific area. On August 23, they were raised 7 cents east of the Rockies and 1 cent in the Pacific area. The second 1-cent advance in the price of bread was permitted to make up for the discontinued subsidy, the then higher price of wheat, and provision for increased costs and profit as provided under the new act. By action of the Decontrol Board on August 20, wheat prices continued free of ceilings.

Certificate Plan Available to Producers
Who Sold Wheat Under WFO 144

Wheat producers who were required to sell their wheat under WFO 144 between May 23 and July 1, 1946 have been given an opportunity to receive from the CCC a sales certificate under which they may choose a later sales date to determine the price of such wheat. This was announced by the Department of Agriculture on July 29 in accordance with the provisions of the Price Control Extension Act. Producers were required to furnish evidence prior to August 25 of their sales and to pay to the CCC through their County Agricultural Conservation Committees the amount originally received for the wheat sold. Producers in turn received a certificate requiring the CCC to pay the market price for the wheat sold as of any forward date the producer elects prior to April 1, 1947.

1946-Crop Wheat Loan Rates Increased
Over Rate Announced in June

Increases in 1946-crop wheat-loan rates because of higher parity prices were authorized on August 7 by the U. S. Department of Agriculture. The new

rates will average nationally about $1.49 a bushel on a farm loan basis, up 3 cents from the average announced by the department on June 11. The 1945-crop average was $1.38 a bushel. The new rates reflect the legislative 90 percent of parity at the beginning of the marketing year, July 1.

To achieve this result to farmers, the loan rates on wheat stored on farms and in country and terminal elevators have been increased 3 cents a bushel above the rates announced on June 11.

The new schedule of loan values at selected terminal markets is as follows: No. 1 Hard Winter Wheat at Kansas City and at Omaha $1.65; at Galveston $1.73; and at Chicago and St. Louis $1.70. No. 1 Soft White or Western White at Portland $1.60. No. 1 Heavy Dark Northern Spring at Minneapolis $1.67. No. 1 Red Winter at Chicago and St. Louis $1.70; at Philadelphia and Baltimore $1.81; and at Louisville $1.72.

Durum Supplies Smallest Since 1935

Supplies of durum wheat in the United States for use during the 1946-47 season will be smallest since 1935. The carry-over on July 1, 1946 amounted to only 5.1 million bushels; this carryover and the prospective 1946 crop of 26.5 million bushels totals only 31.6 million bushels, which is far below the demand of recent years (table 10). In the 5-years, 1941-45, domestic supplies averaged 61.0 million bushels.

The July 1 carry-over was held as follows, in million bushels: 2.3 on farms, 0.3 in country elevators, 1.6 in commercial storage, and 0.9 in merchant mills.

Mill grinding of durum wheat during the 1945-46 year amounted to 22.2 million bushels,-about 4 million bushels below the grind in the previous year. Durum used for feed, cereal manufacture and other uses accounted for 14.9 million bushels, while seed requirements took 3.7 million. Total disappearance during the year of 40.8 million bushels was considerable larger than the indicated supply for 1946-47.

The quality of the 1945 crop was generally satisfactory from a milling standpoint and was a marked improvement over that of the year before. For the period September 1945 through June 1946 about 60 percent of the receipts fell in the Hard Amber or Amber Classifications compared with 40 percent the year before. Seventy-five percent of the inspected receipts graded No. 2 or better. Only about 3 percent graded Sample Grade compared with 20 percent the year before.

Grain Export Goals Increased;
Domestic Limitations Eased

The Secretary of Agriculture on August 23 announced an increase in the goal for total United States grain exports during the 1946-47 marketing year, and partial removal of limitations on domestic use of grains. Changes as they affect wheat are as follows:

1. The 1946-47 export goal has been increased to a probable total of 400 million bushels of all grains and grain products from a former goal of 250 million bushels of wheat and flour.

2. The provision of War Food Order 144, requiring 80 percent extraction of wheat flour as compared with the normal rate of about 72 percent is terminated, effective September 1, 1946. Limitations on the quantity of flour which may be produced for domestic distribution and restrictions on the use of wheat for other food and non-food purposes are being continued.
3. In view of the increased availability of feed grains and the increased quantities of mill feeds which will be made available by the reduction in the extraction rate, the use of milling-quality wheat by feed mixers is being further restricted. Effective October 1, 1946, feed manufacturers will not be permitted to use any wheat of milling quality in mixed feeds, except in the Western States, where the quantity of milling wheat which can be fed will be limited to 40 percent of the total grains used. These States include California, Idaho, Nevada, Oregon, Utah, or Washington, or that part of the State of Montana which is on or south of the main line of the Chicago, Milwaukee, St. Paul, and Pacific Railroad or west of the continental divide. The use of wheat of non-milling qualities in the manufacture of feed will be restricted in all areas only by the over-all grain use limitation.
4. The prohibition against the use of wheat and wheat products in the production of distilled spirits and in breweries is being continued.

Changes other than those affecting wheat include the following:

1. The quantity of corn and grain sorghums that may be used monthly by wet and dry processors and food manufacturers and the quantity of grain that may be used by feed manufacturers will be increased, effective September 1, 1946, by 5 percent of the 1945 base-period use. Also, all restrictions on the purchase of grains by individual farmers are being removed. In the case of wet processors the increase is authorized from 80 to 85 percent of the average monthly use of the first 6 months of 1945. For food manufacturers and dry processors, the increase is from 85 to 90 percent of the average use during the 1945 calendar year. For feed manufacturers the increase is from 80 to 85 percent of the use in the corresponding month of 1945.
2. For the quarterly period beginning September 1, 1946, breweries will be permitted to use grain and grain products in a quantity equal to 85 percent of the quantity used in the corresponding quarter of 1945. Since March 1, 1946, breweries have been limited in their use of grain and grain products to 70 percent of their base period use. In view of the continuing serious shortage of rice, a specific limit on the use of rice which may be used by breweries is being included in War Food Order 66. This provision will limit the use of rice by each brewery to 85 percent of the quantity used in the base period. Breweries have been restricted since March 1, 1946 in the qualities of rice which they could use in the manufacture of beer, and they will now be limited on the quantity as well as the quality of rice which can be used for this purpose.
3. The quantity of grain (other than wheat and wheat products) which may be used by producers of distilled spirits is being increased from the level of approximately 2-1/2 million bushels per month, which has been in effect in recent months, to a level of approximately 3 million bushels for September.

THE CURRENT WORLD WHEAT SITUATION

BACKGROUND.- Large world crops and restricted trade resulted in the largest world wheat supplies on record in the period 1938-43. War activity on the high seas reduced world exports of wheat and flour to a low of about 365 million in 1942-43 compared with 650 million in 1938-39 and 625 million in 1939-40. With reduced exports, stocks increased. On July 1, 1943, stocks in the four principal exporting countries reached 1,740 million bushels -- the largest July 1 stocks on record. By July 1945, however, stocks had been reduced to 824 million bushels, and by July 1946, to about 373 million. This increased disappearance was caused by demand brought on by the war and poor crops in Southern Hemisphere countries. Stocks on July 1, 1946 were the smallest since 1938, and about a fifth less than the 1935-39 average of 458 million bushels (table 12).

World Wheat Prospects At Least 10 Percent Above Last Year But Reserves Exhausted

Present prospects are that the 1946 world wheat production, excluding the U.S.S.R. and China, may be at least 10 percent above the reduced production in 1945 and about equal to the 1935-39 prewar average. Even though production prospects are better than last year, world wheat imports are expected to continue larger than normal through 1946-47. In the absence of large carry-overs, world wheat needs will have to come out of the 1946 crop.

Prospects in Europe are for a crop better than the very poor one in 1945 and 1942, although still not as large as those of other recent year or the prewar 1935-39 average. Wheat crops larger than those of a year ago are expected from most areas, but the largest gains are indicated throughout the Mediterranean area and in parts of western Europe. Wheat production estimates show an increase of nearly 30 percent over last year's small outturn in the countries for which preliminary information has been received (table 13). The countries reporting represented more than 60 percent of the European wheat production in 1945.

In the Mediterranean area good crops were the outcome of both increased seedings and more favorable weather than in 1945, when severe drought took a heavy toll of the wheat crops. The crop in Spain is about 80 percent above the unofficial estimate of 1945. Though also above the 1935-39 average, it is still somewhat smaller than production in the pre-civil war years. The outturn in Portugal was reported at 21 million bushels. Later trade reports, however, state that harvest results are falling short of early expectations and that the production may fall short of 19 million bushels. Even at that figure, the crop would exceed the 1935-39 average and would be about double the small 1945 crop. In Italy, wheat production estimated figure is over 30 percent larger than the small production of a year ago. It is, however, still somewhat less than the prewar average production.

In western Europe prospects were substantially improved in 1946 over a year earlier, as a result of more favorable weather and a somewhat less acute fertilizer situation. An early season official estimate places the French crop of 225 million bushels, but it is believed the final returns may show a larger crop.

Even at the present estimate, however, the outturn would be about 25 percent larger than the crop in 1945. The crop in Belgium, officially placed at 12.6 million bushels, also appears to be conservative. Wheat production in the Netherlands is somewhat above last year's low outturn, but is still more than 25 percent below average. Good yields are expected in Switzerland with an acreage maintained at the relatively high level of 1945.

Production in North Africa, although still slightly below the prewar (1935-39) average, is sharply above the much reduced crops in 1944 and 1945.

No production figures have been received from northern European areas, but the Scandinavian countries are reported as having about average prospects, with little change from last year's relatively good crops expected. In Finland, however, the crop is expected to be below average, largely as a result of excessive rainfall.

Conditions in central and eastern Europe are relatively the least favorable on the Continent. The lack of rainfall over much of this area in spring and early summer is reported to have caused extensive crop damage though rainfall later improved the outlook in some parts. In Austria, the wheat crop is below even the small 1945 crop. Prospects in Czechoslovakia, where the crop is only about average, are the most favorable of any of the countries in this area. The outlook in both Poland and Germany is not promising. Unfavorable weather in Poland, together with manpower and draft power shortages, have affected prospects, unfavorably. Land reforms and large population shifts are factors contributing to this outlook. In Germany, weather conditions have been unfavorable and fertilizer in short supply. Fertilizer has always been of great importance in Germany's intensive cultivation.

In the Balkan countries, crop conditions are generally more favorable than they were a year ago. Most favorable conditions are reported for Bulgaria, while those for Hungary appear least promising. The crop in Hungary, reported at the low figure of 35 million bushels, is considerably larger than the 1945 harvest but not much more than a third of the 1935-39 average. Greater war and postwar disruption of farm operation was reported from this country than from others of that area. Weather conditions were also less favorable than in the other Balkan countries. The crop in Rumania now officially placed at about 70 million bushels, would be only half of the 1935-39 average and slightly smaller than the crop believed to have been harvested last year; earlier prospects had pointed to a good harvest in that country and in Yugoslavia. Production in Greece, reported at about 24 million bushels, is below prewar but compares favorably with the production believed to have been harvested in 1945.

The condition of the crop in the United Kingdom is reported at 35.6 bushels per acre compared with 34.5 bushels a year ago. The area is 1.92 million acres compared with a prewar average of 1,84 million acres and 2.27 million acres in 1945. The crop in Eire is slightly above a year ago and about 2½ times the prewar volume. Wheat growing was greatly expanded during the war while Eire was cut off from usual imports.

The crop in the U.S.S.R is expected to be considerably below the prewar level. The acreage is smaller and overall yields, based on latest conditions reports, are not expected to exceed the low average of recent years.

In the Far East, where rice is the food staple, conditions have not been favorable for planting and the acreage planted in such important rice exporting countries as Burma and Siam will be well below normal. A near -average wheat crop is estimated for several north China Provinces, with below-average outturn in various central and west China Provinces.

The condition of spring wheat in Canada at the end of July, expressed as a percent of the long-time average yield per acre, was 126 percent compared with 122 a month earlier and 92 a year earlier. According to current reports, the condition reached its peak in late July. In early August hot, dry weather caused the crop to deteriorate. During the week ended August 13, however, generally light to heavy rains, accompanied by cooler weather prevailed throughout the provinces and helped prevent further deterioration. The first official crop report will be issued September 12. When prospects were at their height it was considered that the crop might approach 500 million bushels. The deterioration may have reduced prospects by possibly 50 million bushels. The area seeded to wheat in the Prairie Provinces was estimated to be 25.2 million acres compared with 22.6 million acres in 1945. The first estimate of the Canadian winter wheat crop is 16.1 million bushels compared with 20.1 million a year ago. The acreage of winter wheat remaining for harvest was 546 thousand compared with 675 thousand a year ago.

The area seeded to wheat in Australia for harvest late in 1946 is expected to be over 13 million acres, which is well above the 11.5 million acres last year, and about at the average of the 5 prewar years. Dryness is still causing concern in northern New Wales, and Queensland, but elsewhere moisture is generally adequate. In Argentina the acreage seeded is estimated at 16.55 million acres compared with 14.23 million a year ago and the 1935-39 average of 18.66 million. Moisture supplies are ample, but excessive amounts have delayed seeding in some areas. On the basis of increased acreage and more favorable conditions for these Southern Hemisphere countries than a year ago, prospects are for crops above the poor crops of last year and perhaps at about prewar levels.

United Kingdom, Canada Sign Four-Year Wheat Contract

A 4-year wheat agreement between the United Kingdom and Canada was signed on July 24. It provides for the purchase of Canadian wheat by the United Kingdom as follows: In 1946-47, 160 million bushels at $1.55 a bushel; in 1947-48, 160 million bushels at $1.55 a bushel; in 1948-49, 140 million bushels at a minimum of $1.25 a bushel, the actual price to be negotiated by December 31, 1947; and in 1949-50, 140 million bushels at a minimum price of $1.00 a bushel, the actual price to be negotiated by December 31, 1948. Part of the wheat may be supplied in the form of flour. The agreement is subject to modification to conform with any international agreements later concluded.

Canada Announces New Wheat Price Policy

The Canadian Government recently announced discontinuance of the pegged export wheat price of $1.55 per bushel, which was announced last September. Under the new policy, export sales to countries other than the United Kingdom are expected to be made at prices roughly approximating United States export prices, with the Wheat Board continuing as the sole marketing agency for Canadian wheat. In line with the new policy, effective August 2, the price of flour exports to countries other than the United Kingdom in terms of wheat, were as follows: $2.05 for No. 1 Northern, $2.02 for No. 2, and $2.00 for No. 3, basis in store Fort Willian or Port Arthur.

Guaranteed prices to western producers have been raised 10 cents per bushel, with the initial price now placed at $1.35 per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. That rate, which is placed as a minimum return to producers until July 31, 1950, has been made retroactive to cover marketings made since August 1945. The adjustments on 1945-46 deliveries will be made through a flat payment of 10 cents per bushel on all grades. Any profits accrued from sales of the 1945 crop after the flat payment has been made will be placed in a 5-year pool along with profits from the next 4 crops. Distribution of the fund will be made after the termination of the pool on July 31, 1950.

The United Kingdom-Canada contract was an important element in the new policy allowing western growers higher initial payments than had prevailed previously. Growers will continue to share market profits through participation certificates. Under the terms of the new plan, the price of wheat for domestic consumption will continue at $1.25 per bushel, with the Government continuing its payment of a drawback to millers covering the difference between 77-3/8 cents the actual cost to millers and $1.25 per bushel paid by millers for wheat.

Australian Government Guarantees Growers Fixed Price for 5 Years

The Australian Government has recently passed a wheat stabilization bill which guarantees growers a fixed domestic price for five years, which at the present time is below the price at which wheat is exported. Growers will be reimbursed to the extent of 40 percent of the difference between the fixed price and the export level, with the balance to go into a stabilization fund to support the guaranteed price.

THE RYE OUTLOOK AND SITUATION

A national rye goal of 2.4 million acres for harvest as grain in 1947 was announced in late August. This would be a third larger than the 1.8 million acres harvested in 1946, but a third below the 5-year (1937-41) average of 3.7 million acres. The acreage of rye harvested for grain has been declining steadily for a number of years, largely under the influence of better profit opportunities in other crops, to the point where the acreage harvested in 1946 is less than one-half the acreage harvested in 1937-41 (table 15). While the goal for 1947 is not as high as would be considered adequate for all needs under the circumstances, it is deemed as large as feasible.

Assuming an average yield of 12.2 bushels per harvested acre on the 2.4 million acres, a crop of about 29.5 million bushels would be produced. In 1947-48 there will be a desire on the part of U. S. civilians to resume a normal consumption of rye for food following the limited supplies available in 1946-47. It is considered that the goal would provide for this as well as for seed, but it would be necessary to continue to use less than average quantities of rye for feed and spirits and to greatly restrict exports. Should production prove to be larger than 29.5 million bushels, or should imports increase the supply, increased utilization in the form of spirits or exports, or an increase in stocks to more normal levels would be possible. A production less than 29.5 million bushels in 1947 would result in reduced use for human food or for livestock feed.

Price ceilings on rye were suspended by the decontrol Board. Under such conditions, prices will reflect the probable short supplies and bring relatively

good returns to rye producers. Tables 14 and 16 show rye prices over a period of years.

Rye supplies indicated for 1946-47 total only 23.8 million bushels, the smallest since 1881, and only a little over half of the quantity in 1945-46 (table 2). July 1 stocks at 2.4 million bushels were the smallest on record and the crop indicated at 21.4 million bushels is the smallest since 1934. With supplies as small as this, all domestic uses other than seed will be greatly curtailed and exports kept very small.

The supply of rye in 1945-46 totaled 41.1 million bushels, consisting of a carry-over of 12.7 million bushels, a crop of 26.4 million, and imports of 2.0 million. Disappearance -- the smallest in 11 years -- is estimated, in million bushels, to have been as follows (10-year, 1935-44, average in parentheses): Food 6.7 (7.3), feed 11.6 (21.8), seed 4.9 (8.1), alcohol and spirits 8.3 (7.2), and exports 7.2 (1.3). Reflecting the sharply reduced supplies and the urgent domestic and foreign demand, rye prices advanced sharply during thepast season to the highest levels since 1918.

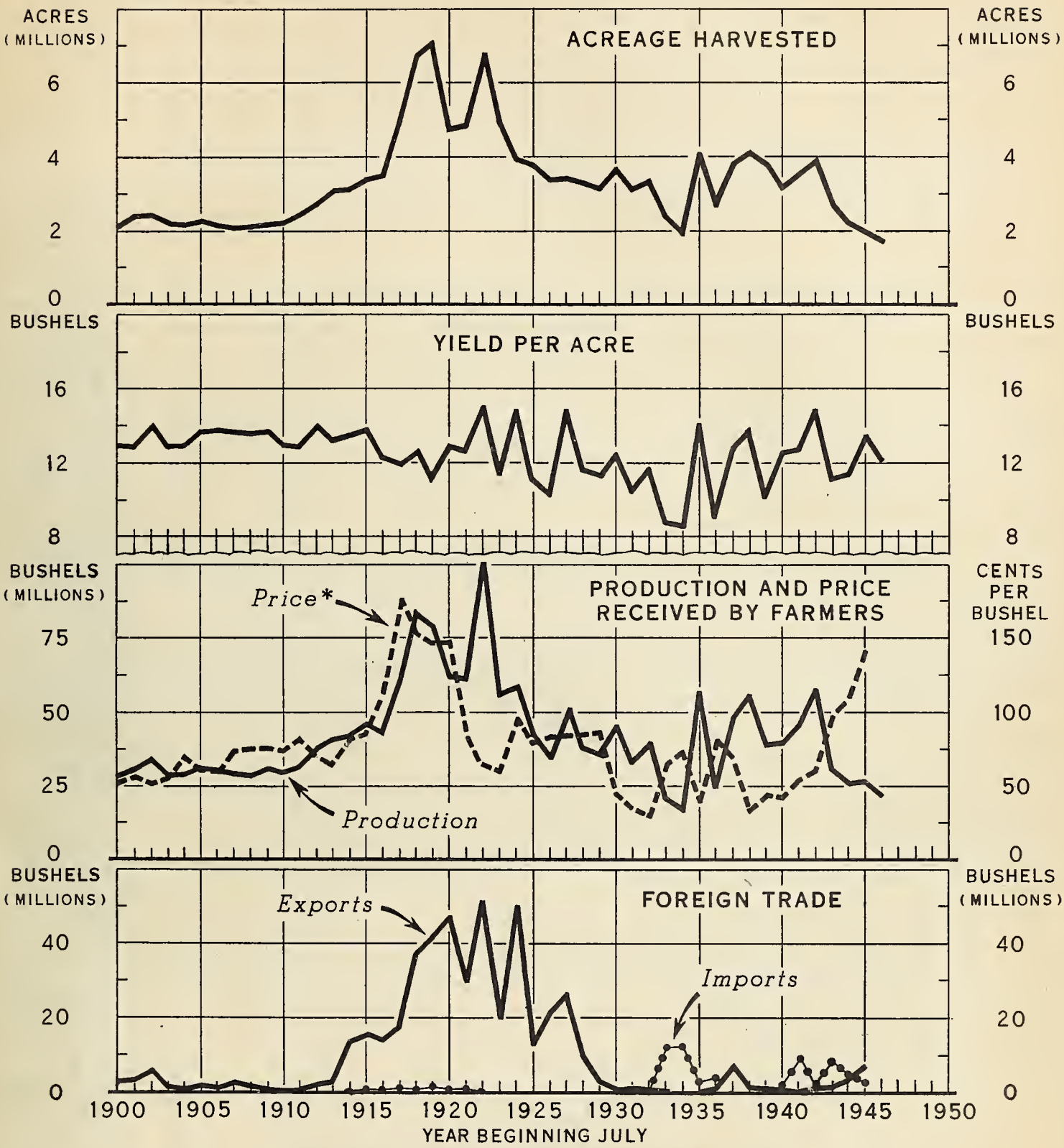
Supplies of rye in Canada available for export during 1946-47 are low. Carry-over stocks on August 1 were only 0.7 million bushels, and the fall-seeded crop is estimated at only 5.1 million bushels. The estimate for the spring sown crop is not available as yet, but production is small, amounting to only 1.8 million bushels in 1945.

Table 2.- Rye: Supply and distribution, United States, 1934-46

Year beginning July	Supply: Stocks 1/	Supply: Production	Supply: Imports	Supply: Total	Distribution: Food 2/	Distribution: Feed 3/	Distribution: Seed	Distribution: Alcohol-spirits	Distribution: Total	Exports 4/	Total disappearance
	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu	Mil.bu
1934	14.9	16.3	11.2	42.4	8.0	4.8	8.6	10.2	31.6	5/	31.6
1935	10.8	56.9	2.3	70.0	6.9	21.9	8.7	12.8	50.3	5/	50.3
1936	19.7	24.2	3.9	47.8	7.0	13.8	10.0	11.6	42.4	0.2	42.6
1937	5.2	48.9	5/	54.1	5.9	18.0	9.1	6.0	39.0	6.6	45.6
1938	8.5	56.0	5/	64.5	6.8	19.8	9.7	5.5	41.8	0.8	42.6
1939	21.9	38.6	5/	60.5	7.0	20.2	7.4	5.6	40.2	0.7	40.9
1940	19.6	40.0	1.4	61.0	7.1	20.2	8.1	6.7	42.1	0.2	42.3
1941	18.7	45.4	8.8	72.9	7.8	20.2	8.5	6.8	43.3	5/	43.3
1942	29.6	57.7	1.5	88.8	8.3	31.8	7.5	2.1	49.7	0.5	50.2
1943	1/47.1	30.5	8.3	85.9	8.7	35.0	6.1	4.5	54.3	0.6	54.9
1944	31.0	25.5	4.1	60.6	7.8	20.9	5.8	10.3	44.8	3.1	47.9
1945 6/	12.7	26.4	2.0	41.1	6.7	11.6	4.9	8.3	31.5	7.2	38.7
1946 6/	2.4	21.4	5/	23.8							

1/ 1934-42, farm and commercial stocks, only. Beginning in 1943, the figures also include interior mill and elevator stocks.
2/ Estimates based on trade information related to the Census of 1939.
3/ Residual item.
4/ Includes flour.
5/ Lessthan 50,000 bushels.
6/ Preliminary.

RYE: ACREAGE, YIELD, PRODUCTION, FOREIGN TRADE, AND PRICE, 1900-1946



*1900-1907 DEC. 1 PRICE DATA FOR 1946 ARE PRELIMINARY

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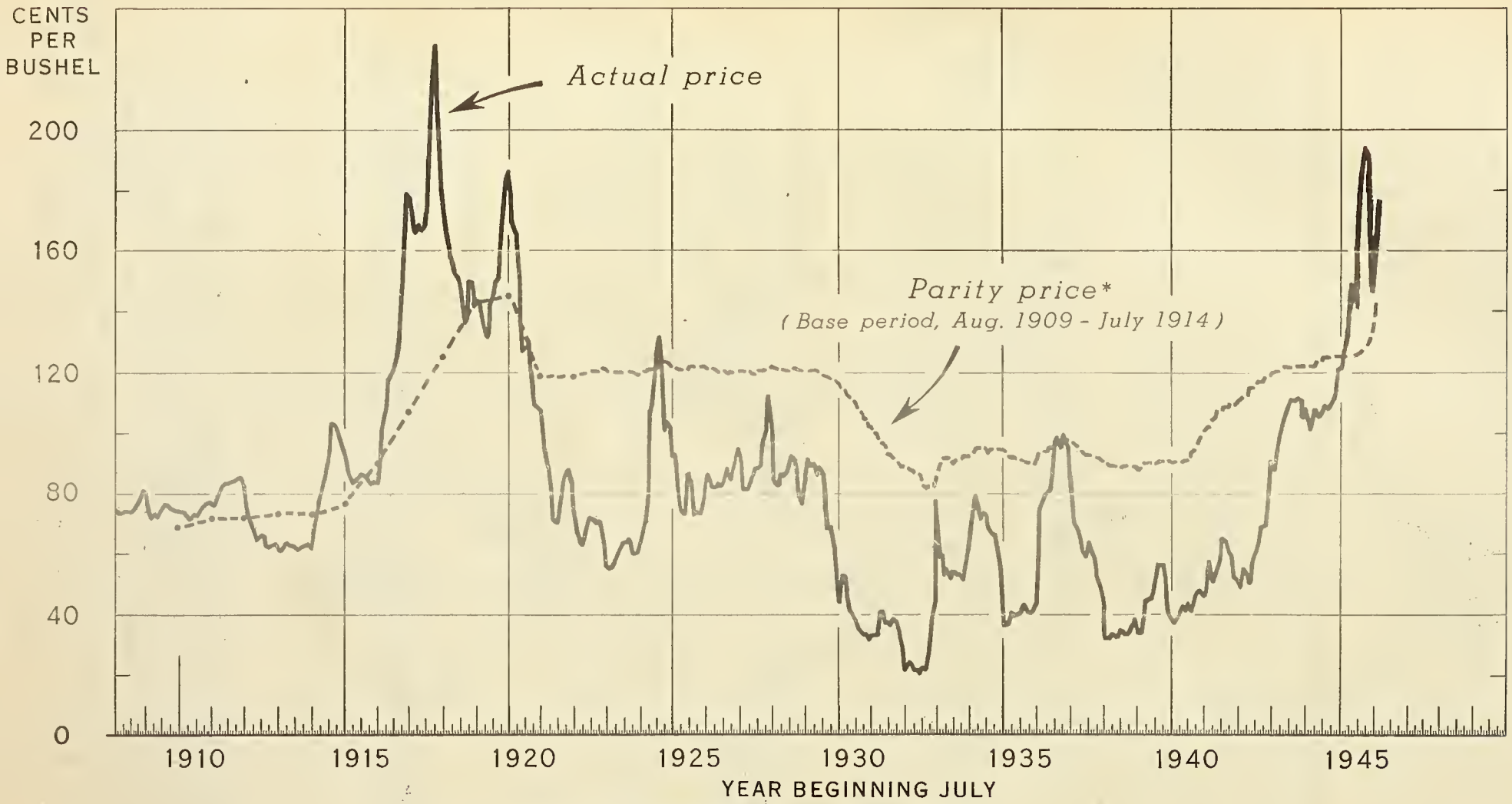
FIGURE 3

Rye acreage harvested in 1946, totalling 1.8 million acres, was the smallest since 1881. Yield was about equal to the average of recent years. Production totalled 21.4 million bushels, the smallest since 1934. With urgent domestic and foreign demand, rye prices in 1945-46 averaged the highest since 1920. The acreage of rye has been declining steadily for a number of years. Rye yields were quite stable until 1946, but have varied considerably since the expansion in acreage in the Plains States, which began during World War I. In contrast to 1918-23, when exports were very large, imports have been larger than exports in 9 of the past 13 years.

RYE: PRICE RECEIVED BY FARMERS AND PARITY PRICE, UNITED STATES, 1908-46



* PARITY PRICE NOT AVAILABLE BY MONTHS, 1908-22

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FIGURE 4

Prices received by farmers for rye are currently above parity, reflecting strong demand for very limited supplies. Since 1921, rye prices have been above parity for only two brief periods, in 1924-25 and 1936-37. The 1924 crop in Europe was very small and the demand for rye from the United States, in that year, resulted in the largest exports in our history. In 1936, production in the United States was greatly reduced by the drought.

Table 3.- Wheat: Supply and distribution, United States, average 1937-41 and annual 1942-46 1/

Marketing years by quarters	Supply: Stocks	Supply: Crop	Supply: Imports	Supply: Total supply	Total disappearance	Exports and shipments	Distribution: Total	Domestic disappearance: Food	Domestic disappearance: Seed	Domestic disappearance: Industrial	Domestic disappearance: Feed 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Av. 1937-41											
July-Sept....	230.2	858.3	0.6	1,089.1	204.2	16.4	187.8	126.4	29.6	2/	31.8
Oct.-Dec.....	884.9		0.1	885.0	182.6	14.6	168.0	122.5	24.2	2/	21.3
Jan.-Mar.....	702.4		0.2	702.6	190.4	18.2	172.2	116.7	1.5	0.1	53.9
Apr.-June ...	512.2		0.8	513.0	173.0	16.8	156.2	113.9	20.5	0.3	21.5
JULY-JUNE...	230.2	858.3	1.7	1,090.2	750.2	66.0	684.2	479.5	75.8	0.4	128.5
1942-43											
July-Sept....	632.1	974.2	0.1	1,606.4	226.5	7.6	218.9	130.4	24.2	3.4	60.9
Oct.-Dec.....	1,379.9		3/	1,379.9	221.5	5.1	216.4	143.3	20.3	7.2	45.6
Jan.-Mar.....	1,158.4		3/	1,158.4	257.2	7.7	249.5	149.2	1.4	16.0	82.9
Apr.-June....	901.2		0.9	902.1	280.4	14.1	266.3	114.1	19.1	27.7	105.4
JULY-JUNE ...	632.1	974.2	1.0	1,607.3	985.6	34.5	951.1	537.0	65.0	54.3	294.8
1943-44											
July-Sept....	621.7	841.0	19.0	1,481.7	366.8	9.4	357.4	134.4	29.7	27.0	166.3
Oct.-Dec.....	1,114.9		29.1	1,144.0	326.0	19.2	306.8	137.4	25.0	24.7	119.7
Jan.-Mar.....	818.0		41.1	859.1	314.3	19.7	294.6	149.2	1.5	26.3	117.6
Apr.-June ...	544.8		46.7	591.5	274.9	17.1	257.8	122.1	21.3	30.8	83.6
JULY-JUNE ...	621.7	841.0	136.0	1,598.7	1,282.0	65.4	1,216.6	543.1	77.5	108.8	487.2
1944-45											
July-Sept....	316.7	1,072.2	25.9	1,414.8	326.4	15.8	310.6	136.3	31.9	31.1	111.3
Oct.-Dec.....	1,088.3		11.4	1,099.7	265.0	19.2	245.8	141.9	26.9	22.8	54.2
Jan.-Mar.....	834.7		1.5	836.2	273.2	33.5	239.7	137.4	1.5	15.6	85.2
Apr.-June ...	563.0		3.2	566.2	285.4	70.0	215.4	136.6	20.4	12.8	45.6
JULY-JUNE ...	316.7	1,072.2	42.0	1,430.9	1,150.0	138.5	1,011.5	552.2	80.7	82.3	296.3
1945-46 4/											
July-Sept....	280.9	1,123.1	1.3	1,405.3	374.9	95.0	279.9	127.8	32.4	16.4	103.3
Oct.-Dec. ...	1,030.4		0.5	1,030.9	341.1	107.2	233.9	140.3	27.3	3.0	63.3
Jan.-Mar.....	689.8		0.1	689.9	353.2	105.3	248.0	135.3	1.5	1.6	109.6
Apr.-June ...	336.7		3/	336.7	235.2	83.7	151.5	92.9	20.9	0	37.7
JULY-JUNE	280.9	1,123.1	1.9	1,405.9	1,304.4	391.1	913.3	496.3	82.1	21.0	313.9
1946-47 4/											
July-Sept....	101.5	1,160.4		1,261.9							

(Footnotes on page 23)

Table 4.- Average price per bushel of wheat received by farmers and parity price, United States, 1931-46 1/

(Data for figure 1)

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Marketing year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	Average Price 2/												
1931	36.3	35.4	35.7	36.1	50.5	44.1	44.1	44.0	44.2	43.1	42.4	37.3	39.0
1932	35.6	38.5	37.4	34.6	32.8	31.6	32.9	32.3	34.5	44.8	59.0	58.7	38.2
1933	86.9	74.7	71.1	63.6	71.1	67.3	69.4	72.0	70.9	68.7	69.5	78.9	74.4
1934	78.8	89.6	92.2	88.5	88.1	90.6	89.3	87.9	85.5	90.2	87.8	77.3	84.8
1935	76.4	80.8	85.1	94.8	87.5	88.9	92.0	91.1	89.3	85.4	81.6	79.9	83.2
1936	94.1	104.8	104.3	106.8	106.4	114.5	123.6	124.9	123.2	126.6	118.3	108.9	102.5
1937	112.8	99.4	93.0	88.7	81.9	83.6	88.6	86.6	80.3	75.0	71.4	69.7	96.2
1938	60.8	50.7	52.5	52.2	52.0	53.6	57.1	56.9	56.7	57.8	63.0	62.5	3/56.2
1939	55.7	54.5	72.7	70.3	73.1	82.4	84.5	84.1	85.0	88.9	80.7	67.4	69.1
1940	61.4	60.1	62.5	68.2	72.5	71.5	73.0	67.8	71.8	76.0	79.4	83.1	68.2
1941	85.6	88.5	95.8	91.0	93.4	102.2	106.1	104.9	105.1	99.7	99.8	95.7	94.5
1942	94.6	95.4	102.8	103.5	104.4	110.3	117.5	119.5	122.7	122.3	122.8	124.0	109.8
1943	126.0	127.0	130.0	135.0	137.0	143.0	146.0	146.0	146.0	147.0	147.0	143.0	136.0
1944	139.0	135.0	135.0	142.0	143.0	145.0	146.0	147.0	148.0	149.0	149.0	150.0	141.0
1945	146.0	145.0	145.0	151.0	153.0	154.0	154.0	155.0	158.0	158.0	170.0	174.0	149.0 4/
1946	187.0												
	Parity Price 5/												
1931	124.6	122.9	121.1	120.2	118.5	118.5	114.0	114.0	112.3	111.4	109.6	108.7	
1932	108.7	108.7	107.8	107.0	106.1	105.2	100.8	100.8	99.9	100.8	100.8	101.7	
1933	105.2	108.7	112.3	112.3	112.3	112.3	109.6	111.4	112.3	112.3	113.2	113.2	
1934	113.2	115.8	116.7	116.7	116.7	116.7	114.9	115.8	115.8	115.8	115.8	115.8	
1935	114.9	114.0	113.2	113.2	112.3	112.3	111.4	111.4	110.5	110.5	110.5	109.6	
1936	112.3	114.9	114.9	114.9	114.9	115.8	116.7	118.5	118.5	120.2	120.2	120.2	
1937	119.3	118.5	116.7	115.8	114.9	114.0	114.0	114.0	113.2	113.2	113.2	112.3	
1938	111.4	110.5	109.6	109.6	109.6	109.6	108.7	108.7	108.7	108.7	108.7	108.7	
1939	108.7	107.8	110.5	110.5	110.5	110.5	110.5	110.5	111.4	111.4	111.4	111.4	
1940	110.5	110.5	110.5	110.5	110.5	111.4	110.5	110.5	111.4	111.4	112.3	114.9	
1941	115.8	118.5	121.1	122.9	124.6	125.5	127.3	129.1	130.8	131.7	132.6	132.6	
1942	133.5	133.5	134.4	135.3	136.1	137.0	137.9	139.7	140.6	141.4	143.2	144.1	
1943	145.0	145.0	145.0	146.0	147.0	148.0	149.0	149.0	149.0	149.0	149.0	150.0	
1944	150.0	150.0	150.0	150.0	151.0	151.0	152.0	152.0	153.0	153.0	153.0	153.0	
1945	153.0	153.0	154.0	155.0	155.0	156.0	156.0	157.0	159.0	160.0	164.0	166.0	
1946	176.0												

1/ Data for earlier years in The Wheat Situation as follows: 1909-21, November 1941, pages 12 and 13; 1922-30, August 1945, pages 20-21.

2/ Monthly prices by States weighted by production to obtain a price for the United States; average for year obtained by weighting State price averages for the marketing year.

3/ Beginning 1938 includes unredeemed loans at average loan value.

4/ Preliminary

5/ Computation of parity price: Average price in base period (August 1909 to July 1914) x monthly index of prices paid by farmers, interest and taxes. Example for July 1946 = 88.4 x 199 = 176.

Table 5.-Wheat, No. 2 Hard Winter: Price, loan value, and ceiling at Kansas City, 1937-46

(Data for figure 2)

Year beginning July	Weighted cash price of No. 2 Hard Winter Wheat at Kansas City 1/												Loan value at Kansas City 2/
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1937	122.5	111.8	109.5	106.0	94.2	96.5	102.7	99.6	91.5	84.6	79.7	76.7	---
1938	70.0	65.5	65.7	64.7	63.3	66.9	70.9	69.2	68.7	69.6	75.7	70.9	72
1939	66.7	64.6	85.9	82.7	85.8	98.3	101.2	99.4	102.1	105.7	94.7	76.3	77
1940	70.7	69.3	75.8	81.6	84.5	83.0	84.7	77.8	85.1	87.2	90.4	97.3	77
1941	98.3	106.6	114.1	112.2	113.4	120.1	125.6	123.1	121.0	114.6	114.9	110.9	110
1942	107.9	111.2	120.3	120.5	123.1	130.5	136.8	137.0	139.9	138.4	138.1	137.0	127
1943	140.1	139.8	145.8	152.3	156.4	162.8	164.8	163.0	165.2	164.0	163.2	155.6	137
1944	152.1	150.8	153.0	161.3	159.1	162.0	163.6	165.8	166.3	165.7	166.7	168.2	150
1945	158.3	159.8	162.1	168.3	168.9	169.2	169.2	169.1	172.0	172.1	---	186.1	153
1946	197.8												164

1/ Computed by weighting selling price by number of carlots sold as reported in the Kansas City Grain Market Review. In this price, wheat of above as well as below 13 percent protein is included.
2/ Loan rate is for wheat of less than 13 percent. Ceiling became effective January 4, 1944 at $1.62 including 1-1/2 cents commission, basis protein of less than 13 percent. On December 13, 1944 it was raised to $1.66, on May 30, 1945 to $1.691, on March 4, 1946 to 172.1, and on May 13, 1946 to 187.1. On June 30 1946 ceilings expired.

Table 6.-Wheat production by classes, United States, average 1935-44 and annual 1945-46 1/

Year	Winter		Spring		White Winter and spring	Total
	Hard Red	Soft Red	Hard Red	Durum		
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Average 1935-44	359,476	200,727	158,979	32,832	91,678	843,692
1945	519,421	234,025	232,852	35,731	101,114	1,123,143
1946	572,746	209,686	211,130	35,646	131,158	1,160,366

1/ Data for earlier years in The Wheat Situation as follows: 1919-28, February 1939, page 22; 1929-35, January-February 1943, page 10; 1936-44, November-December 1945, page 14.

Footnotes for table 3, page 21.-
1/ Annual data for 1930-41 in The Wheat Situation, June-July 1946, page 11.
2/ Residual. 3/ Less than 50,000 bushels. 4/ Preliminary.

Table 7.-Wheat: Weighted average cash price, specified markets and dates, 1945 and 1946

Month and date	All classes and grades six markets		No. 2 Hard winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1945	1946	1945	1946	1945	1946	1945	1946	1945	1946	1945	1946
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month:												
June	169.9	189.8	168.2	186.1	172.3	190.0	175.0	---	176.0	194.0	151.9	181.6
July	161.9	202.6	158.3	197.8	172.4	222.4	175.0	230.0	167.3	211.1	148.0	183.2
Week ended -												
July 6	166.9	207.1	160.4	205.1	172.4	217.0	---	---	166.6	212.4	147.6	182.2
13	161.4	207.1	158.2	202.4	172.7	223.3	175.0	---	166.6	215.2	147.2	183.2
20	160.5	204.8	156.6	199.4	172.4	235.1	---	230.0	166.3	211.3	148.2	183.1
27	161.9	197.0	158.8	193.2	171.9	223.8	175.0	---	168.3	203.4	149.2	183.9
Aug. 3	162.9	196.3	160.4	193.7	172.9	208.1	175.0	---	168.7	201.1	148.3	184.5
10	163.3	196.7	160.1	193.1	172.4	205.4	175.0	---	169.1	200.8	148.2	182.6
17	162.8	200.5	159.3	194.5	170.6	207.4	---	220.7	165.9	203.4	146.4	181.5
24	164.7	198.6	159.1	193.5	172.7	204.8	175.0	223.0	165.7	207.0	147.5	182.1

1/ Weekly average of daily cash quotations.

Table 8.- Wheat: Prices per bushel in three exporting countries, Friday nearest midmonth, Jan.-August 1946, Weekly July-August 1946.

Date (Friday)	Hard Wheat United States: No. 1 H.D.N. Sp. 13 pct. protein at Duluth 1/	Hard Wheat Canada: No. 3 Canada No. Spg. at Fort William 2/	Hard Wheat United States: No. 1 D.H.W. Galveston 1/	Soft Wheat United States: No. 1 Portland 1/	Soft Wheat Australia 1/
	Cents	Cents	Cents	Cents	Cents
Friday, midmonth:					
Jan. 11	174.0	137.7	190.0	165.0	153.9
Feb. 15	174.0	139.1	190.0	165.0	160.1
Mar. 15	177.0	140.5	191.5	166.6	---
Apr. 12	177.0	141.8	191.5	166.6	---
May 17	192.0	141.8	203.4	181.6	162.8
June 14	190.0	141.8	203.6	181.6	---
July 12	230.0	156.0	205.0	183.1	---
Aug. 16	207.5	156.0	206.5	181.6	---
Weekly					
July 5	218.0	141.8	203.6	183.1	---
19	235.0	156.0	209.0	183.1	---
26	214.0	156.0	205.0	183.1	---
Aug. 2	208.0	156.0	206.0	186.0	---
9	206.0	156.0	206.0	181.6	---
23	207.0	156.0	206.0	182.5	---

1/ F.o.b., spot or to arrive.
2/ Fort William quotation is in store. No. 1 Hard Dark Northern Spring, 13 percent protein, (Duluth) plus 1/2 cent (for in-store basis) is assumed to be fairly comparable with No. 3 Canadian Northern Spring wheat (Fort William, in-store).

Table 9.- Percentage of hard red, and soft red winter wheat in specified grades, average 1935-44 and annual 1945-46

(Based on inspected receipts at representative markets, July 1 to July 31)

Item	Hard Red Winter Wheat				Soft Red Winter Wheat		
	Subclass	Average 1935-44	1945	1946	Average 1935-44	1945	1946
		Percent	Percent	Percent	Percent	Percent	Percent
	Dk. Hd.	46	22	42			
	Hard	53	77	58			
	Yellow Hd.	1	1	0			
Grade							
1		33	45	52	19	9	25
2		34	37	36	40	55	56
3		20	12	8	24	30	14
4		9	3	1	8	3	1
5		3	1	1	3	0	0
Sample		1	2	2	6	3	4
Special grades							
Tough		2	14	5	15	16	20
Light Smutty		0	0	2	2	2	6
Smutty		0	0	2	1	1	4
Light Garlicky					3	4	3
Garlicky					22	14	15

Table 10.- Durum Wheat: Supply and distribution, United States, 1941-46

Item	Year beginning July					
	1941	1942	1943	1944	1945	1946
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
SUPPLY						
Stocks, July 1						
Farm	7.2	14.3	13.1	7.3	5.8	2.3
Interior mills and elevators	9.6	10.4	6.2	1.1	1.4	0.3
Commercial	5.3	5.5	2.5	2.2	0.3	1.6
Merchant mills	3.4	4.4	6.4	4.2	1.1	0.9
Total stocks, July 1	25.5	34.7	28.2	14.8	8.6	5.1
Production	42.7	45.5	35.5	32.8	35.7	35.6
Imports	—	0.5	2.9	4.3	.6	
Total supply	68.2	80.7	67.6	51.9	45.9	31.6
DISTRIBUTION						
Mill grindings	19.0	23.9	20.4	26.0	22.2	
Seed	3.0	3.0	3.0	2.8	3.7	
Feed, cereal mfg. & other uses	10.5	25.6	29.4	14.5	14.9	
Exports as grain	1.0	—	—	—	—	
Total disappearance	33.5	52.5	52.8	43.3	40.8	
Stocks, June 30	34.7	28.2	14.8	8.6	5.1	
Total distribution	68.2	80.7	67.6	51.9	45.9	

Table 11.- Destinations of United States exports of wheat and flour in terms of wheat, year ended June 30, 1946

Destinations	Exports and shipments
	Million bushels
Europe:	
UNNRA	73.2
U.S. Military civilian feeding	67.1
France and French North Africa	80.8
Belgium	20.5
Netherlands	11.0
Norway	0.4
U. K. and British S. Overseas	11.8
USSR	1.3
Other Europe	40.3
Total Europe	306.4
Far East	
UNRRA	12.9
U. S. Military civilian feeding	13.5
Philippines	5.6
India	5.8
Total Far East	37.8
Latin American Republics	34.8
Other exports	8.2
Total for all countries	387.2

Table 12.- Estimated July 1 wheat stocks in four major exporting countries, average 1935-39 and annual 1940-46

Year	United States grain 1/	Canadian grain 2/	Argentina	Australia	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Av. 1935-39	155	122	121	60	458
1940	280	322	102	135	839
1941	385	517	201	75	1,178
1942	632	449	238	142	1,461
1943	622	630	288	200	1,740
1944	317	400	290	159	1,166
1945 3/	281	318	175	50	824
1946 3/	101	90	115	67	373

1/ Includes United States wheat in Canada. Includes small quantities of new wheat prior to 1937.
2/ Includes Canadian wheat in the United States.
3/ Preliminary.

Table 13.- Wheat production in Europe: Prospective 1946 crop, with comparisons.

Country	Average 1935-1939	1944	1945	Prospective 1946
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Eire	7,689	20,388	21,394	19,621
Spain	1/ 157,986	106,556	(73,000)	131,174
Portugal	16,066	13,525	10,913	21,164
Italy	279,519	236,454	(169,019)	222,665
Austria	15,117	11,464	8,929	8,481
Czechoslovakia	59,090	45,600	45,000	2/ (50,000)
France	286,510	256,285	(184,000)	225,000
Belgium	16,150	18,569	(14,500)	(12,603)
Netherlands	15,209	11,868	7,953	10,900
Norway	2,391	(2,500)	2,888	---
Hungary 3/	91,210	81,830	22,230	34,980
Rumania	140,816	---	---	69,555
Greece	30,205	---	(16,800)	23,883
Estimated total 4/	1,115,567	926,000	647,000	830,000

From official and unofficial sources where available: otherwise estimates (shown in parentheses) based on foreign service reports and other information.
1/ Production for 1935 only.
2/ Not strictly comparable with preceding estimates since Ruthenia is excluded.
3/ Based on present boundaries for 1944, 1945 & 1946. Preliminary for 1945.
4/ Estimated totals for 1944, 1945, & 1946 include allowances for missing data for countries shown.

Table 14.-Rye, No. 2: Weighted average price per bushel of reported cash sales, Minneapolis, by months, 1933-46 1/

Year beginning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Wtd. Av.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1940	43.9	41.2	43.6	47.8	50.2	50.0	52.6	50.2	52.4	56.5	58.1	56.6	50.8
1941	54.9	61.7	67.8	60.0	64.1	67.8	80.3	78.1	75.5	71.8	69.3	60.3	65.1
1942	60.6	58.8	64.6	59.1	59.3	70.3	74.7	79.2	82.9	80.9	87.2	94.1	73.4
1943	101.2	95.4	101.4	108.5	111.0	120.2	127.0	122.5	123.5	127.1	119.4	112.1	108.1
1944	113.0	112.1	103.1	114.8	113.1	114.3	122.8	123.5	127.2	133.9	139.2	155.3	122.2
1945	152.8	144.2	151.3	164.3	183.9	175.2	198.4	212.9	235.9	269.8	284.1	285.2	170.2
1946	209.0												

Compiled from Minneapolis Daily Market Record. Average of daily prices weighted by carlot sales.
1/ Data for earlier years in The Wheat Situation as follows: 1915-32, June 1937, page 18, 1933-39, March-April 1945, page 18.

Table 15.- Rye: Acreage, yield, production, foreign trade, and price, United States, 1900-46
(Data for figure 3)

Year beginning July	Acreage harvested	Yield per acre	Production	Exports 1/	Imports 1/	Price received by farmers 2/
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Cents per bu
1900	2,127	12.9	27,413	2,346	---	51.2
1901	2,409	12.8	30,773	2,712	---	55.7
1902	2,444	13.9	33,862	5,445	1	50.8
1903	2,260	12.8	28,932	784	34	54.5
1904	2,205	12.9	28,461	30	21	68.8
1905	2,297	13.6	31,173	1,388	1	61.1
1906	2,154	13.7	29,609	770	1	58.9
1907	2,073	13.6	28,247	2,445	2	2/73.1
1908	2,130	13.5	28,650	1,296	1	2/74.5
1909	2,212	13.6	30,083	242	30	74.6
1910	2,262	12.9	29,098	40	227	73.4
1911	2,452	12.8	31,396	31	134	81.0
1912	2,724	13.9	37,911	1,855	1	68.7
1913	3,089	13.1	40,390	2,273	37	62.9
1914	3,144	13.4	42,120	13,027	147	83.3
1915	3,417	13.7	46,752	15,250	566	85.0
1916	3,528	12.2	43,089	13,703	428	113.0
1917	5,059	11.9	60,321	17,186	834	176.4
1918	6,694	12.5	83,421	36,467	638	152.1
1919	7,168	11.0	78,659	41,531	1,077	145.9
1920	4,825	12.8	61,915	47,337	452	146.4
1921	4,851	12.6	61,023	29,944	700	84.0
1922	6,757	14.9	100,986	51,663	99	63.9
1923	4,936	11.3	55,961	19,902	2	59.3
1924	3,941	14.8	58,445	50,242	1	95.2
1925	3,800	11.1	42,316	12,647	---	79.1
1926	3,419	10.2	34,860	21,698	1	83.0
1927	3,458	14.8	51,076	26,346	2	83.5
1928	3,310	11.5	37,910	9,844	1	83.6
1929	3,138	11.3	35,411	2,600	1	85.7
1930	3,646	12.4	45,383	227	88	44.4
1931	3,159	10.4	32,777	909	1	34.1
1932	3,350	11.7	39,099	311	14	28.1
1933	2,405	8.6	20,573	21	12,019	62.8
1934	1,921	8.5	16,285	---	12,250	72.0
1935	4,066	14.0	56,938	9	2,266	39.8
1936	2,694	9.0	24,239	248	3,943	81.2
1937	3,825	12.8	48,862	6,578	---	68.6
1938	4,087	13.7	55,984	784	1	33.8
1939	3,822	10.1	38,562	732	---	43.9
1940	3,194	12.5	39,984	245	1,392	3/41.9
1941	3,570	12.7	45,364	23	8,758	53.9
1942	3,860	14.9	57,673	450	1,490	59.8
1943	2,755	11.1	30,452	594	8,314	98.1
1944	2,228	11.4	25,500	3,144	4,149	109.0
1945 4/	1,981	13.3	26,354	7,196	1,960	142.0
1946 4/	1,775	12.1	21,410			

1/ From reports of Department of Commerce of the United States. Includes flour. 2/ December 1 price, 1900-1907. 3/ Beginning 1940 includes unredeemed loans at average loan value. 4/ Preliminary.

Table 16.-Average price per bushel of rye received by farmers parity price, United States, 1931-46 1/

(Data for figure 4)

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Marketing year Average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	Average Price 2/												
1931	35.0	32.5	33.2	33.6	41.4	36.8	36.8	36.3	37.7	36.6	33.4	28.8	34.1
1932	22.0	23.3	23.6	22.3	22.1	21.1	22.7	21.9	22.8	30.1	38.9	43.5	28.1
1933	78.2	58.8	61.4	52.7	55.4	51.9	53.6	54.2	53.1	52.8	51.9	58.2	62.8
1934	61.8	73.9	79.1	75.0	71.9	74.4	73.1	69.3	66.5	66.0	62.0	53.7	72.0
1935	36.0	35.5	36.5	42.1	40.4	40.0	41.4	44.4	42.9	40.8	40.6	43.8	39.8
1936	61.1	75.1	79.5	80.4	81.5	90.0	97.9	98.9	95.8	99.9	96.0	85.3	81.2
1937	81.0	70.6	68.1	63.8	60.8	59.2	64.1	63.4	58.7	52.2	49.8	46.0	68.6
1938	41.4	32.4	32.0	32.9	32.1	32.3	34.7	33.9	32.9	33.0	36.4	39.1	33.8
1939	34.3	34.2	44.0	45.1	44.6	52.3	56.7	55.7	55.6	57.1	52.4	40.3	43.9
1940	38.3	36.8	38.3	40.5	42.8	41.3	43.6	41.2	43.1	46.5	48.1	47.1	41.9
1941	46.4	49.4	57.3	51.3	54.2	57.6	65.2	66.0	64.3	60.7	59.4	52.4	53.9
1942	51.3	49.2	55.2	52.9	50.4	56.5	61.3	64.1	68.9	69.5	71.9	79.7	59.8
1943	90.9	88.6	94.5	101.0	102.0	107.0	111.0	111.0	111.0	112.0	111.0	105.0	98.1
1944	107.0	108.0	102.0	108.0	108.0	106.0	109.0	108.0	109.0	111.0	112.0	121.0	109.0
1945	122.0	124.0	131.0	138.0	150.0	143.0	150.0	161.0	175.0	195.0	192.0	145.0 3/	142.0
1946	176.0												
	Parity Price 4/												
1931	102	100	98.6	97.9	96.5	96.5	92.9	92.9	91.4	90.7	89.3	88.6	
1932	88.6	88.6	87.8	87.1	86.4	85.7	82.1	82.1	81.4	82.1	82.1	82.8	
1933	85.7	88.6	91.4	91.4	91.4	91.4	89.3	90.7	91.4	91.4	92.2	92.2	
1934	92.2	94.3	95.0	95.0	95.0	95.0	93.6	94.3	94.5	94.3	94.3	94.3	
1935	93.6	92.9	92.2	92.2	91.4	91.4	90.7	90.7	90.0	90.0	90.0	89.3	
1936	91.4	93.6	93.6	93.6	93.6	94.3	95.0	96.5	96.5	97.9	97.9	97.9	
1937	97.2	96.5	95.0	94.3	93.6	92.9	92.9	92.9	92.2	92.2	92.2	91.4	
1938	90.7	90.0	89.3	89.3	89.3	89.3	88.6	88.6	88.6	88.6	88.6	88.6	
1939	88.6	87.8	90.0	90.0	90.0	90.0	90.0	90.0	90.7	90.7	90.7	90.7	
1940	90.0	90.0	90.0	90.0	90.0	90.7	90.0	90.0	90.7	90.7	91.4	93.6	
1941	94.3	96.5	98.6	100	102	102	104	105	107	107	108	108	
1942	109	109	109	110	111	112	112	114	114	115	117	117	
1943	118	118	118	119	119.5	120	121	122	122	122	122	122	
1944	122	122	122	122	123.	123	124	124	125	125	125	125	
1945	125	125	125	126	126	127	127	128	130	130	133	135	
1946	143												

1/ Data for 1908-30 in the Wheat Situation, September-October 1945, pages 14-15.

2/ Monthly prices by States weighted by production to obtain a price for the United States: average for year obtained by weighting State price averages for the marketing year.

3/ Preliminary.

4/ Computation of parity prices: Average price in base period (August 1909 to July 1914) x monthly index of prices paid by farmers, interest and taxes. Example for July 1946 = 72.0 x 199 = 143.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

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Total wheat, 1909-44	12	Sept.	1945 WS-91
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Stocks			
By position on July 1, average 1937-41 and annual 1942-46	12	June	1946 WS-95
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Acreage, yield, and production, by kinds, 1940-45	11	Mar.	1945 WS-87
Acreage seeded by regions, 1909-45	2	Aug.	1945 WS-90
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Exports and imports			
Exports of wheat including flour to specified countries, 1910-39	27	Aug.	1940 WS-46
Exports from U. S. by destinations, 1937-38, 1938-39	10	Jan.	1945 WS-86
Imports into the United States, 1923-44	13	Sept.	1945 WS-91
Sales, and income, and prices			
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THE WORLD WHEAT SITUATION			
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Acreage and production			
Acreage, yield, and production, world, excluding the U.S.S.R. and China, 1923-41	19	Mar.	1942 WS-65
Acreage, yield, and production, Canada, 1909-45	15	July	1945 WS-89
Acreage of wheat, world and specified countries, 1909-40	17	June	1941 WS-56
Production of wheat, world and specified countries, 1909-40	10	Nov.	1945 WS-92
International trade			
International trade in wheat including flour, calendar years, 1937-40	20	Mar.	1942 WS-65
International trade in wheat flour, calendar years, 1938-40	21	Mar.	1942 WS-65
International trade in wheat including flour, July year, averages 1925-34, annual 1937-39	16	Feb.	1941 WS-52
Relative importance of wheat importing Countries, 1934-38	8	Jan.	1945 WS-86
Relative importance of wheat exporting countries, 1934-38	9	Jan.	1945 WS-86

1/ Selected tables used most frequently